# B2 - EXPENDITURE
# ACCOUNTING ADJUSTMENTS IN FFIS

Most transactions are recorded in the accounting system by preparing documents that are entered into a National Finance Center (NFC) feeder system (i.e., payroll, travel, purchase orders, etc.) or with documents that are sent to Minneapolis for direct entry into FFIS (i.e., contracts, agreements, indemnity payments, etc.). When accounting data has been entered incorrectly and it is determined an accounting adjustment must be made, the first choice is to modify the original document. When that is not possible, the mechanism for making these adjustments may be a FFIS "B2" document. This section provides guidance to offices for determining if a B2 document is the proper mechanism for making an accounting adjustment and provides instructions for preparing the adjustment documentation.

## I. Background:

The USDA, FFIS Project Office was very hesitant to allow miscellaneous accounting adjustments in the Foundation Financial Information System (FFIS). The accounting adjustments provide no audit trail to the general ledger and are often inappropriate. If used incorrectly, they will create abnormal balances in our ledger and on our Consolidated Financial Statements and Treasury reports.

The B2 transaction code was created for APHIS based on our process for offsetting agency overhead. It can also be used to correct accounting entries when the program code or budget object code (BOC) needs to be changed. It is a clone of the FFIS Standard Voucher document.

APHIS is committed to a stringent review of this authority, monitoring it for misuse, and revoking access to enter document by users when appropriate. The Financial Management Division (FMD) will internally review a representative sample of the B2's processed each year. Each program is encouraged to self-audit the adjustments processed by their staff. The Office of the Inspector General (OIG) is very likely to select random samples of B2 documents to audit each year, as part of their audit of the USDA Consolidated Financial Statements.

The B2 adjustment would only be performed in situations where an incorrect program code or budget object code (BOC) was used on a document. An "incorrect" program code or BOC means it is a valid code in FFIS but not the proper code for a specific transaction. An "invalid" program code is not established in FFIS. You would not prepare an accounting adjustment for an invalid program code. In this case, you need to contact the FFIS Functional Administrator in FMD, Riverdale, MD.

## II. Determining When to Use a B2 Document:

Below are some items to consider before deciding to make an adjustment:

1A) **Feeder Correction**: Can the original document be corrected in the original feeder system? If the answer is yes, amend the original document in its feeder. There are 5 feeder systems that allow for corrections to be made through them into FFIS.

> **PCMS:** If the transaction is PCMS-related it ***must*** be corrected in PCMS. The PCMS is a feeder that back-feeds from FFIS and both balances must match. Note: A transaction in PCMS can be "reconciled" or changed many times.
>
> **PC TARE:** If an "invalid" program code was used on a T&A, the document will be paid but put in a forced release status. Do not do a B2 transaction or a corrected T&A in this case. You need to contact the FMD, Accounting Team in Minneapolis and provide them with a correct program code to resolve this situation. If an "incorrect" program code was used on a T&A, please process a corrected T&A. If the incorrect program code was used on many T&A's the program budget analyst must decide the best correction method. Note: If it is determined a B2 is the best correction method, the HOURS need to be entered in the "Quant:" field in FFIS. The hours must be moved as well as the obligations to keep reports such as the Status Of Funds Extract accurate.
>
> **PRCH:** The purchasing feeder is designed to track modifications to original procurement documents. A modification to the original purchase order is your preferred method for correcting accounting and BOC information. If you determine it necessary to correct a purchasing document directly in FFIS, the entire purchase order must be closed before processing the adjustment. Closed means that all goods were received, the vendor was paid, and any remaining obligations on the purchase order were cancelled.
>
> **TRVL:** The Travel system only obligates relocations and therefore, allows for adjustments of the AD-202 for relocations only. These must be corrected in the travel system if the traveler is still in the process of relocating and vouchering for expenses. If the relocation is complete and fully paid it cannot be modified in travel and you will have to adjust it in FFIS. If a voucher for temporary duty has processed and paid in travel, it must be adjusted in FFIS.
>
> **PROP:** The back feed from FFIS to the Property system does not recognize B2 documents, therefore, if you process a B2 with a Budget Object Code (BOC) of 31**, where the asterisks equal any two digit combination except 3140, you will create an out-of-balance condition between PROP and the General Ledger. BOC 3140, non-accountable property (under $5,000 acquisition cost), does not impact the Property system. If you need to change a BOC or accounting code on a FFIS entry that does NOT have BOC 3140, you must contact the Minneapolis Property team via email at MRPBS ASD – Property. They will data enter your correction and the PROP system will back feed the information to FFIS. You will see the corrected entry on your financial reports with a DV Trans Code. Note: Entries made prior to this notice will be reversed and corrected by MRPBS FMD sometime in FY 2002. You will be notified in advance. **You should *never* data enter an accounting adjustment for any property BOC except 3140 and never for a document with a trans code beginning with "DV".**

1B) **If the answer is NO.** If the original document cannot be corrected in the feeder then consider preparing a B2 accounting adjustment. The Voyager, UTVN, TELE, FTSP, MPOL and Travel (except for relocations when amending the AD-202) feeders do not lend themselves to corrections. In addition, the stored accounting feeders like UTVN, TELE, FTSP, MPOL must have a document submitted to NFC to correct the accounting code on future documents. The intent is to keep the stored master feeder systems accurate. A list of NFC Master Files (stored accounting) feeder systems, the form needed to establish or correct the account information, and the NFC publication covering the system can be found in the Chapter 2.

2) **Program Code Problems.** Is the program code (accounting code) set up correctly in FFIS? The program code may be valid in FFIS but set up incorrectly in the FFIS tables ACXT and DVAL. For example, you have a Fund 73 accounting code appearing under Fund 76 data, or one of your offices is aligned with the wrong regional organization code. In these situations **do not** prepare an accounting adjustment. Please contact the FFIS Functional Administrator in FMD, Riverdale, MD for assistance in resolving these matters. If we do not fix the underlying problems with accounting codes, errors in processing transactions will continue to occur.

3) DVSN, FUND, or Prior Year/Budget Fiscal Year (BFY). Does the adjustment affect more than one DVSN (8 = PPQ, 9 = VS, etc.) and/or FUND (52, 57, 58, 59, 77, etc.) and/or BFY? If yes, the adjustment is probably needed. But if the DVSN and FUND are not changing, especially in a prior year, the adjustment most likely isn't needed because reports will show the activity closely related. When the DVSN and FUND are not changing, but the reporting category (project code or last three digits) is, an adjustment may be indicated. All B2 adjustments that do not change FUND and/or DVSN should be reviewed in depth prior to processing. The Analyst managing the account is responsible for making the final decision as to whether an adjustment is needed or not.

4) Amount. Is the amount of the adjustment material? The program analyst should determine the materiality, given the circumstances of the adjustment. Note: All Congressional reporting from APHIS rounds to the nearest thousand and sometimes million. However, there are valid cases where an amount considerably lower must be adjusted. For example; a single gasoline transaction was charged to IES and belongs to VS.

5) Payment Status. ALL adjustments will be made only on "Closed" transactions in FFIS. The person making the B2 adjustment must maintain documentation that the action is closed in their files. This can be determined by reviewing the PVHT and PVLT tables in FFIS. We recommend that you make screen prints. Do not process the adjustment until you can document a closed status.

6) Backup Detail. The Description field must specify information that can refer you back to the detail documents that made up your adjustment amount. In an audit, you may be required to produce the original documents to support this adjustment. You are the only one that has the information that produced the adjustment. ALL entries with a description such as "change or correct accounting, account adjustment, correct BOC, or MISC accounting adjustment" will be reviewed/audited extensively. These are not adequate descriptions. The description must reflect specific details regarding the reason for the adjustment. For example, in the case of a reimbursement offsetting, the agreement number would be appropriate. Other examples of good descriptions are the log number for your B2s, a travel authorization number, the project name, or 'J. Brown's travel for GIPSA'. The description should be something that would point you back to the detailed inventory of what makes up the adjusted amount in your files. If need be, create a log. For a sample, see Appendix.

7) **Still not sure?** If you are unsure that an adjustment needs to be completed, or that the B2 document was prepared correctly, ask someone to review it. Utilize peers in your program or call Stacye Teachman in FMD, Riverdale, MD at (301) 734-8251.

## III. Who In APHIS Can Do These Adjustments?

Only those people that have security clearance may enter these adjustments directly in FFIS. This security access will be reviewed by each Program. An approved list of personnel authorized to make these entries is reviewed quarterly.

## IV. Types of Adjustments

A. Referencing (One-to-one) adjustments are those where a closed payment voucher can be referenced.

- The Vendor Id: use the exact same code cited on the original voucher. This is a two position field.
- The correction is to the BOC or Program code. (Can not correct BOC 31** except 3140).
- The Reference Doc Id field must contain the exact Trans Code and Doc Id Number of the original payment voucher. It is a two position field.
- The entire amount of the Payment Voucher must be in closed status in FFIS.
- A specific description is needed to remind you why the adjustment was made.

B. Overhead Offsetting, adjustments are made to transfer a representative amount of obligations equal to the Agency overhead percent. We refer to these as a "mass" transfer, because individual transactions can not be identified.

- The Vendor Id: 34Standard
- The BOC for overhead offsetting is 2558.
- There must be documentation to show that closed transactions in the amount to be transferred were in FFIS for the FUND to be decreased. For example: your adjustment includes salary and benefits, TDY travel and a purchase order. You must confirm all the salary and travel have processed into FFIS and that the entire purchase order is closed. You should not process the adjustment until all components of it are confirmed closed.
- A detailed inventory of the items adding to the total of the transfer must be available on request from a reviewing/auditing source.

C. If a "Mass" Adjustment transaction for other than overhead offsetting,

- The Vendor Id: 34Standard
- The Major Object Class must be used for each subtotal amount. These entries require one decrease and one increase line for each major object code class.

- There must be documentation to show closed transactions in the amount to be transferred where in FFIS for the FUND to be decreased. For example: your adjustment includes salary and benefits, TDY travel and a purchase order. You must confirm all the salary and travel have processed into FFIS and that the entire purchase order is closed. You should not process the adjustment until all components of it are confirmed closed.
- A detailed inventory of the items adding to the total of the transfer must be available on request from a reviewing/auditing source.

## V. Transaction Code/ Transaction Type To Use For Adjustments

Trans Code is B2 for all adjustments referred to in this document.

1) Expenditure adjustments will use the Trans Type of TO.
2) Revenue adjustments will use the Trans Type of FI.

**Note: Revenue is only adjusted by FMD in Minneapolis when posting collections and accounts receivable.** These transactions will refer to revenue source codes for the budget Object Code (BOC). If you identify an entry for revenue that should be adjusted, please contact FMD, Minneapolis.

## VI. Adjustments May Be Performed ONLY On CLOSED Items

1. Always in Closed Status:

The following list of items are accrued (obligated) and expended (paid) in the same transaction; if they are in FFIS, they are closed. If you know one of these successfully processed in a feeder and you can not find it in FFIS, it may be on SUSF in REJCT status. This list is not inclusive:

PACS; Payroll
TRAV - Domestic TDYs AD-616
FTSP
TELE
UTVN
Lease Payments
MPOL
TRAN
GPO
UPS
SF-1164's
Indemnities
Fee Basis Payments
International Services - VADRs
Utilities
Foreign Payments
Wire Transfers
MISC Claims; TORT, Medical, EEO, etc.

IPAC if they don't reference
All "NO" Trans Coded documents
PCMS but you can not do a B2 accounting adjustment for PCMS - ever.

2. May be in an Open or Closed Status:

The following items are accrued (obligated) in one transaction in FFIS. Then at a later date, another transaction processes that references and liquidates (pays) it. There are instances where the payment may not correctly reference the original expenditure and it will not be liquidated. Instead the payment may be processed under a different expenditure Doc Id and then liquidated. In these instances, your Unliquidated Expenditures (obligations) will be overstated. The list is not inclusive:

PRCH - Purchase Orders
Relocations in TRAV
Agreements
Contracts
Reimbursable Work Authorization (RWA)
IPAC if they reference
FEDS

## VII. Prior Year Recovery Information

A recovery happens when a prior budget fiscal year's spending is decreased in a no year fund and that funding or budget authority is available for APHIS to spend in the current year. Example, if you data enter a decrease to a BFY = 00 and the accounting code begins with 15, 16, 17, 18, 20, 25, 41, 72, 73, 74, 75, 76, 77, 78, 79, 83 or 85 you may want to invoke a recovery. A recovery does not happen every single time your decrease spending in a Prior Budget Fiscal Year of a No Year Fund but it should happen in a small percentage of the actions.

**All B2 transactions decreasing spending in a prior/no-year fund must follow these processing procedures:**

Step 1: B2s where a Prior Budget Fiscal Year on a No Year Fund has spending being decreased, you must work the document to "SCHED" status only.

Step 2: Then in the FFIS 'Action:' field instead of typing an R to run the document to accept status, type an 'H' to put the document in HELD" status.

Step 3: Then email MRP-BS FMD - BEST. In the subject line of the email state "B2 in HELD Status for Recovery Review". Include the FFIS Document ID number in your e-mail and your telephone number.

Step 4: We will review the document and create a recovery, if necessary. This will be our top priority when we see the email. We will notify you of the processed document via email.

Step 5: If you would rather not follow the new procedures, you can mail the hard copy B2 form and back up documentation to the USDA, APHIS, FMD, Budget Execution and Support Team, 4700 River Road, Mail Slot 56, Riverdale, MD 20737.

This procedure does NOT apply to decreases in spending in the current Budget Fiscal Year. Nor does it apply if you are decreasing spending in the annual funds 52, 57, 58, 59.

## VIV. Form

Attached to these guidelines is a sample Accounting Adjustment Form. It is available in soft copy as an Excel Spreadsheet. You may also reproduce the attachment. Use of this form is not mandatory unless you are not doing your own adjustments. The office data entering your adjustments will probably require this form be prepared. The form and preparation instructions may be found in next step.

The form AD-757, Miscellaneous Payments System, is obsolete. It does not have the correct blocks to prompt you for all the necessary information.

## X. The FFIS Adjustment - B2

### INSTRUCTIONS FOR COMPLETING EXPENDITURE ADJUSTMENT DOCUMENT:

| | |
|---|---|
| Attachment Line # | Enter a 3-digit number for each line from 001 to 030. Remember: for research purposes it is recommended each document be kept to 30 lines or less. |
| BFY | Enter the 2-digit Budget Fiscal Year |
| Program | Enter the 9-digit Program Code |
| BOC | Enter the 4-digit Budget Object Code; Can not adjust BOC's 31** except 3140. |
| Vendor Code | Enter the Vendor Code related to the adjusting entry. If a one-to-one adjustment, use the vendor code cited on the original voucher. If for a mass transfer summarized to the major object class level of detail or for overhead offsetting use the Vendor ID 34Standard. |
| Quant | This field is used to record hours when transferring payroll. This field only accepts whole numbers, you can not put in fractions of hours. Example: 16.5 will not be accepted you will either have to round up or down. Use of the B2 to transfer payroll is used only when there is no other option available. Please check with your |

| | |
|---|---|
| | Headquarters staff or FMD to validate that the B2 is the proper way to correct payroll for your situation. |
| Reference Trans ID | For one-to-one adjustments, reference the exact Trans Code and Doc ID Number of the original payment voucher. For mass transfer, leave blank. This is a two digit field. |
| Amount | Enter dollars and cents in the amount column. |
| I/D | Increase or Decrease -- To transfer amounts from a particular accounting code, enter a “D” in this column. To transfer amounts to a particular accounting code, enter an “I” in this column. The increases and decreases for each document MUST equal zero. Note: the decrease goes on the first line of the entry. |
| Description | Limit of 30 characters -- This field must specify information that can refer you back to the detail documents that made up your adjustment amount. |
| Closed in PVHT/PVLT | Adjustments may be performed ONLY on CLOSED items. |

## XI. Assistance:

Personal Contacts - please work up through your program’s chain-of-command, usually a state or regional office or refer to the FFIS Points of Contact list provided in the Budget Analyst FFIS training course.

If you do not have any of the reference materials mentioned in this guide, please contact The FFIS Functional Administrator, Giana Jowers, FMD, Riverdale, MD at (301) 734-6619.

Contact ATAC on (877)94-ITHLP or (877) 944-8457 if you are having any connection or printing problems. It is a toll free call.

# Examples of Various Expenditure B2 Accounting Adjustment Scenarios

| Line | BFY | Fund | TS | BOC | I/D | Recovery? |
|---|---|---|---|---|---|---|
| | | | | | | |
| Scenario A. Change to a BOC | | | | | | |
| 1 | 00 | 73 | 12x1600 | 2614 | D | No, funding needs to stay in BFY ‘00 |
| 2 | 00 | 73 | 12x1600 | 3100 | I | |
| | | | | | | |
| Scenario B. Emergency Funding the old days | | | | | | |
| 1 | 00 | 77 | 12x1600 | 1100 | D | Yes, 01-77 crosses Treasury Symbols |
| 2 | 00 | 54 | 121600 | 1100 | I | Upward Spending Adjustment |
| | | | | | | |
| Scenario C. Contingency Funding | | | | | | |
| 1 | 98 | 52 | 1291600 | 2500 | D | Downward Spending Adjustment – No Recovery |
| 2 | 98 | 72 | 12x1600 | 2500 | I | Reduces Carryover in to FY 2002 |
| | | | | | | |
| Scenario D. Reimbursable Funding | | | | | | |
| 1 | 99 | 52 | 1291600 | 1100 | D | Downward Spending Adjustment – No Recovery |
| 2 | 99 | 57 | 1290600 | 1100 | I | Upward Spending Adjustment |
| | | | | | | |
| Scenario E. Correct Accounting Code on a Contract | | | | | | |
| 1 | 01 | 11 | 12x1600 | 2500 | D | Current Spending Decreased – No Recovery |
| 2 | 01 | 52 | 121600 | 2500 | I | Current Spending Increased |
| | | | | | | |
| Scenario F. Overhead Offsetting | | | | | | |
| 1 | 00 | 52 | 1201600 | 1100 | D | $100 – Downward Spending – No Recovery |
| 2 | 00 | 11 | 12x1600 | 1100 | I | $50 – Reduces Carryover |
| 3 | 00 | 77 | 12x1600 | 1100 | I | $50 – Reduces Carryover |
| | | | | | | |
| Scenario G. T&A with Wrong Accounting Code | | | | | | |
| 1 | 00 | 77 | 12x1600 | 1100 | D | $100 – Yes, Recovery |
| 2 | 00 | 52 | 12x1600 | 1100 | I | $50 – Upward Spending |
| 3 | 00 | 11 | 12x1600 | 1100 | I | $50 – Reduces Carryover |
| | | | | | | |
| Scenario H. Voyager Charge to Wrong Year | | | | | | |
| 1 | 01 | 41 | 12x5161 | 2614 | D | Downward Spending Adjustment – No Recovery |
| 2 | 00 | 41 | 12x5161 | 2614 | I | Reduces Carryover |
| | | | | | | |
| Scenario I. PO Charged to Wrong Year | | | | | | |
| 1 | 01 | 52 | 1211600 | 3141 | D | Downward Spending Adjustment – No Recovery |
| 2 | 00 | 41 | 12x5161 | 3141 | I | Reduces Carryover |
| | | | | | | |
| Scenario J. Reimbursable Offset | | | | | | |
| 1 | 01 | 52 | 1211600 | 1100 | D | Current Spending Decreased – No Recovery |
| 2 | 01 | 73 | 12x1600 | 1100 | I | Current Spending Increased |
| | | | | | | |
| Scenario K. Reimbursable Correction | | | | | | |
| 1 | 00 | 73 | 12x1600 | 1200 | D | Yes, Recovery |
| 2 | 00 | 52 | 1211600 | 1200 | I | Upward Spending Adjustment |

**A Recovery should be Considered IF:**

- The BFY is a Prior Year
- The Fund being decreased is a No Year
- The increase is not in the same Fund
- The budget authority should be moved to the current FY No Year Fund for future spending.